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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of	)	
	)	
Access Billing Requirements	)	RM-8540
for Joint Service Provision	)	

OPPOSITION TO PETITION FOR RULEMAKING

Sprint Communications Company, L.P., pursuant to Public Notice No. 2040 dated November 7, 1994, hereby respectfully submits its Opposition to the Petition for Rulemaking filed by US West Communications, Inc. on November 1, 1994. As discussed below, US West has failed to demonstrate why a rulemaking is necessary.

In its Petition, US West requests that the Commission "initiate a rulemaking proceeding to eliminate the single bill requirement in cases where access service is jointly provided under meet point billing contracts between US West and other participating local exchange carriers" (Petition, p. 1).[1] US West offers four reasons why the single bill option should be eliminated. First, it states that with the restructure of local transport rates, tandem-switched transport is the only local transport service subject to the single bill requirement, and thus the "billing cost/billed revenue ratio may rise

[1] Although US West has requested that the Commission initiate a rulemaking proceeding, US West does not specify what rule it wishes to have changed or implemented.

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to uneconomically high levels" (p. 4). Second, US West states that since small LECs were not required to implement local transport rate restructure, "the justification for the single bill requirement all but evaporates in those cases where local transport is jointly provided by two LECs using different rate structures" (p. 5). Third, US West claims that LATA level billing ensures that "the number of bills an IXC receives each month will not change with the cancellation of single bill arrangements" (*id.*). Finally, US West argues that it would be "unfair to require two LECs which jointly provide local transport services to do so under a single bill arrangement, while permitting multiple bill arrangements in those instances where local transport is jointly provided by a LEC and a competitive tandem switching provider" (p. 7). US West states that no IXC will be harmed by elimination of the single bill option.

US West's petition should be denied. The Commission has consistently and appropriately expressed "a strong preference for the single billing option," citing the verification problems associated with multiple billing.[2] However, it has not

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[2] *See* Access Billing Requirements for Joint Service Provision, CC Docket No. 87-579, Phase II, *Order* (DA 88-1544) released October 4, 1988 (*"October 1988 Order"*), ¶10, citing the *Order Designating Issues for Investigation* in this proceeding, 3 FCC Rcd 3568 (1988). *See also* Petitions for Waiver of Transport Rate Structure and Pricing Requirements, *Order* released December 17, 1993 (DA 93-1524), ¶34 ("We reiterate the Commission's strong preference for single bills for meet point billing because it enhances billing accuracy and customer convenience"); Access Billing Requirements and Investigation of Permanent Modifications, 3 FCC Rcd 13, 17 (¶38) (1987) (the single bill options "are so vastly

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banned the multiple billing option, but rather set forth three conditions under which a LEC "might justifiably select the multiple bill option" (*October 1988 Order*, ¶73). The LEC must

> (1) [have] either implemented meet point billing at a time before the development of single bill options, or [be] so small that conversion would be impracticable;
>
> (2) make[] a persuasive showing of the difficulties (financial, technological, and administrative) of conversion; and
>
> (3) offer[] adequate assurance that it has incorporated, and strictly follows, the MECAB guidelines for bill verification.

Id.

If US West, or any other LEC, is able to meet these three conditions, there is nothing to prevent it and the connecting carrier from billing the meet point traffic separately. Given this flexibility, it is unclear why a rulemaking proceeding is necessary.

The problems of bill verification which led the Commission to endorse the single bill option have not disappeared since the Commission last examined the question of meet point billing. It remains a complicated task for IXCs to audit access expense when they receive multiple access bills for the

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preferable" to the multiple billing option that multiple billing is to be "selected as a last resort only"); Waiver of Access Billing Requirements and Investigation of Permanent Modifications, CC Docket No. 86-104, 2 FCC Rcd 4518, 4521 (¶22) (1987) ("Use of the single billing option would be preferable for meet point billing arrangements because it enhances billing accuracy and customer convenience in access service bill verification"), Erratum, 2 FCC Rcd 4731 (1987).

same minute of use. Difficulties may arise in attempting to cross-reference multiple bills (the connecting LECs may use different circuit identifiers or different meet point billing account numbers, one of the bills may have missing dates or incorrect billing percentages, etc.), and the task is even more complicated if the connecting LECs have different billing cycles. Nor is verification of meet point bills only a minor issue. In October 1994, Sprint received almost 1700 meet point billing invoices, approximately one-quarter of the total number of switched access invoices received by Sprint and almost 19% of Sprint's total switched access bill. Obviously, this is a significant portion of Sprint's overall switched access expense, and Sprint cannot simply forego auditing such bills.

There may be some circumstances in which multiple billing of meet point traffic may be warranted, as the Commission itself recognized in establishing criteria for allowing the LEC to choose the multiple bill option. However, none of the conditions described by US West in support of its petition would seem to qualify as justifiable circumstances. First, presumably in response to the Commission requirement that LECs wishing to implement multiple billing first demonstrate the difficulties of single billing, US West complains, as noted above, that the "billing cost/billed revenue ratio [for single billing] may rise to uneconomically high levels." US West does not indicate what it considers "uneconomically high" (it could be, for example, that US West considers a ratio of 1/100 to be "uneconomically high"), nor does it provide any information on the absolute level of costs and revenues.

Moreover, single billing for meet point traffic has been in place now for certain LECs since 1988, so US West and its connecting carriers should by now be familiar with the mechanics of single billing and should have in place the basic systems and procedures for its implementation. (Indeed, US West acknowledges that it has been able to negotiate single bill agreements with the majority (88%) of the LECs with which it has meet point arrangements.[3]) Because single billing is nothing new, a large portion of the costs associated with its implementation should already be sunk. Under these circumstances, it is difficult to credit claims that US West will somehow suffer serious economic harm by being required to continue offering the single bill option.[4]

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[3] In its Petition for Waiver filed concurrently with the instant Petition for Rulemaking, US West states that it has in place single-bill agreements with 334 other LECs. It also states that it was unable to reach billing agreements with 45 other LECs because these LECs are willing to provide single bills for local transport "only...at prices and under arrangements that US West finds to be unreasonable" (Petition for Waiver, pp. 4-5). However, US West does not adequately explain why it considers the prices and arrangements proposed by the other LECs to be "unreasonable," and there is no showing of undue financial, technological, or administrative burden.

[4] Of course, the fact that the ratio of cost to revenue for single billing may have increased because of the restructure of local transport rates does not mean that US West is losing money on the single bill option. The ratio might have increased, for example, from 1/100 to 2/100.

US West's second reason for eliminating the single billing option is that single billing makes no sense because small and large LECs will have different rate structures for local transport, since small LECs did not have to implement local transport rate restructure.[5] This reasoning is also unpersuasive. The LEC which is preparing the meet point bill can simply assess a zero rate for those rate elements which are irrelevant to the connecting LEC. For example, if US West is the LEC doing the billing on behalf of an ITC which did not restructure its local transport rates, US West could charge a zero rate for the residual interconnection charge (RIC) on behalf of that ITC. And, to the extent that the LECs may have different transport mileage bands, such differences may already exist today.

Third, US West asserts that implementation of LATA-wide billing has solved the problem of multiple bills. However, US West misses the point here. Sprint would like to receive fewer bills for meet point traffic, not the same or more.

Finally, US West complains that CAPs are not required to offer single billing when they offer tandem switched services in conjunction with LEC-provided switched service (common line, local switching and RIC). Here again, US West misses the point. The reason the Commission has strongly encouraged implementation of the single bill option is to enable IXCs to

[5] It is Sprint's understanding that US West must maintain the equal charge local transport rate structure anyway because such structure still applies in several of its states.

verify their access bills. Any IXC which is willing to accept multiple bills because it chooses to use a CAP has presumably weighed the relative costs and benefits of such a decision. In any event, CAPs account for such a small percentage of tandem switched service revenues compared to the LECs that it is disingenuous for US West to claim that the single bill option presents a serious competitive burden for the LEC industry.

For the reasons discussed above, Sprint urges that the Commission deny US West's petition for rulemaking.

Respectfully submitted,

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December 7, 1994

CERTIFICATE OF SERVICE

I, Joan A. Hesler, hereby certify that on this 7th day of December, 1994, a true copy of the foregoing **"OPPOSITION TO PETITION FOR RULEMAKING"** filed by SPRINT COMMUNICATIONS CO., LP was sent via First Class Mail, Postage Prepaid, or Hand Delivered, upon each of the parties listed below.

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